

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADJUSTMENT OF GAS RATES OF)	CASE NO.
COLUMBIA GAS OF KENTUCKY, INC.)	2002-00145

FIRST DATA REQUEST OF COMMISSION STAFF TO
COLUMBIA GAS OF KENTUCKY, INC.

Columbia Gas of Kentucky, Inc. (Columbia) is requested, pursuant to 807 KAR 5:001, to file with the Commission the original and 10 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before either 14 days after the initial submission of the rate application or 28 days after the date of this Data Request, whichever is later. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately.

1. Provide a copy of the current bylaws. Indicate any changes made to the bylaws since the year utilized as the test period in Columbia s last rate case.

2. Provide the capital structure at the end of each of the periods as shown in Format 2.

3. a. Provide a list of all outstanding issues of long-term debt as of the end of the latest calendar year and the end of the test period together with the related information as shown in Format 3a. Provide a separate schedule for each time period. Report in Column (k) of Format 3a, Schedule 2, the actual dollar amount of debt cost for the test year. Compute the actual and annualized composite debt cost rates and report them in column (j) of Format 3a, Schedule 2.

b. Provide an analysis of end-of-period, short-term debt and a calculation of the average and end-of-period cost rate as shown in Format 3b.

4. Provide a list of all outstanding issues of preferred stock as of the end of the latest calendar year and the end of the test period as shown in Format 4. Provide a separate schedule for each time period. Report in Column (h) of Format 4, Schedule 2, the actual dollar amount of preferred stock cost accrued or paid during the test year. Compute the actual and annualized preferred stock cost rate and report the results in Column (g) of Format 4, Schedule 1.

5. a. List all issues of common stock in the primary market during the most recent 10-year period as shown in Format 5a.

b. Provide the common stock information on a quarterly and yearly basis for the most recent 5 calendar years available, and through the latest available quarter as shown in Format 5b.

c. Provide market prices for common stock for each month during the most recent 5-year period and for the months through the date the application is filed.

List all stock splits and stock dividends by date and type.

6. Provide a computation of fixed charge coverage ratios for the 10 most recent calendar years and for the test year as shown in Format 6.

7. Provide the following:

a. A schedule of revenues for each active rate schedule reflecting test-year revenues per book rates, revenues at present rates annualized, and revenues at proposed rates annualized.

b. A schedule showing the amount and percent of any proposed increase or decrease in revenue distributed to each rate schedule. This schedule is to be accompanied by a statement which explains, in detail, the methodology or basis used to allocate the requested increase or decrease in revenue to each of the respective customer classes.

c. A schedule showing how the increase or decrease in (b) above was further distributed to each rate charge (i.e., customer or facility charge, Mcf charge, etc.). This schedule is to be accompanied by a statement which explains, in detail, the methodology or basis used to allocate the increase or decrease.

8. a. Provide, in comparative form, a gas operations only income statement, a statement of changes in financial position, a statement of cash flows, a statement of changes in owner s equity, and a balance sheet for the test year and the 12-month period immediately preceding the test year.

b. Provide, in comparative form, a total company income statement, a statement of changes in financial position, a statement of cash flows, a statement of changes in owner's equity, and a balance sheet for the test year and the 12-month period immediately preceding the test year.

9. a. Provide a trial balance as of the last day of the test year (all income statement accounts should show activity for 12 months) showing account number, account title, and amount. Provide this information on a gas operations only basis. Only one copy need be supplied to the Commission. Other parties of record may examine the copy filed with the Commission.

b. Provide a trial balance as of the last day of the test year (all income statement accounts should show activity for 12 months) showing account number, account title, and amount. Provide this information on a total company operations basis. Only one copy need be supplied to the Commission. Other parties of record may examine the copy filed with the Commission.

10. Provide the balance in each current asset and each current liability account and subaccount included in Columbia's chart of accounts by months for the test year. In addition, show total current assets, total current liabilities, and the net current position by months, annually, and the 13-month average for the test year. Provide a reconciliation of current assets, current liabilities, and net current position provided in response to the above with the current assets and current liabilities as shown on the balance sheet for each month of the test year. If any amounts were allocated, provide a calculation of the factor used to allocate each amount.

11. List each common general office account (asset, reserve, and expense accounts) covering the 12 months of the test year applicable to more than one jurisdiction or utility operation. If any amounts were allocated, show a calculation of the factor used to allocate each amount.

12. Provide the following monthly account balances and a calculation of the average (13-month) account balances for the test year for the total company operations:

- a. Plant in service (Account No. 101).
- b. Plant purchased or sold (Account No. 102).
- c. Property held for future use (Account No. 105).
- d. Construction work in progress (Account No. 107).
- e. Completed construction not classified (Account No. 106).
- f. Depreciation reserve (Account No. 108).
- g. Plant acquisition adjustment (Account No. 114).
- h. Amortization of utility plant acquisition adjustment (Account No. 115).
- i. Materials and supplies (include all account and subaccounts).
- j. Balance in accounts payable applicable to each account in (i) above. (If actual is indeterminable, give reasonable estimate.)
- k. Unamortized investment credit Pre-Revenue Act of 1971.
- l. Unamortized investment credit Revenue Act of 1971.
- m. Accumulated deferred income taxes.
- n. A summary of customer deposits as shown in Format 12(n) to this request.

- o. Computation and development of minimum cash requirements.
 - p. Balance in accounts payable applicable to amounts included in utility plant in service. (If actual is indeterminable, give reasonable estimate.)
 - q. Balance in accounts payable applicable to prepayments by major category or subaccount.
 - r. Balance in accounts payable applicable to amounts included in plant under construction. (If actual is undeterminable, give reasonable estimate.)
13. Provide the cash account balances at the beginning of the test year and at the end of each month during the test year for the gas operations only.
14. Provide the following information for each item of gas plant held for future use at the end of the test year:
- a. Description of property.
 - b. Location.
 - c. Date purchased.
 - d. Cost.
 - e. Estimated date to be placed in service.
 - f. Brief description of intended use.
 - g. Current status of each project.
15. Provide schedules, in comparative form, showing by months for the test year, and the year preceding the test year, the total company balance in each gas plant and reserve account or subaccount included in Columbia s chart of accounts as shown in Format 15.

16. Provide the journal entries relating to the purchase of gas utility plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise since Columbia's inception. Also, provide a schedule showing the calculation of the acquisition adjustment at the date of purchase or each item of utility plant, the amortization period, and the unamortized balance at the end of the test year.

17. For Columbia's gas operations, provide a schedule showing a comparison of the balance in the total company and Kentucky revenue accounts for each month of the test year to the same month of the preceding year for each revenue account or subaccount included in Columbia's chart of accounts. Include appropriate footnotes to show the month each rate increase was granted and the month the full increase was recorded in the accounts. See Format 15.

18. Provide the following:

a. A schedule showing a comparison of the balance in the gas operating expense accounts for each month of the test year to the same month of the preceding year for each account or subaccount included in Columbia's chart of accounts. See Format 15.

b. A schedule, in comparative form, showing the total gas operating expense account balance for the test year and each of the 5 calendar years preceding the test year for each account or subaccount included in Columbia's annual report. (FERC Form No. 2, pages 320-325.) Show the percentage of increase of each year over the prior year.

c. A schedule of the gas operations salaries and wages for the test year and each of the 5 calendar years preceding the test year as shown in Format 18c. Show for each time period the amount of overtime pay.

d. A schedule showing the percentage of increase in salaries and wages for both union and non-union employees for the test year and the 5 preceding calendar years.

19. Provide the following payroll information for each employee classification or category:

a. The actual regular hours worked during the test year.

b. The actual overtime hours worked during the test year.

c. The test-year-end wage rate for each employee classification or category and the date of the last increase.

d. A calculation of the percent of increase granted during the test year.

20. Provide the amount of excess deferred federal income taxes resulting from the reduction in the corporate tax rate from 48 percent to 46 percent in 1979, as of the end of the test year.

21. Provide the following tax data for the test year for total company:

a. Income taxes:

(1) Federal operating income taxes deferred accelerated tax depreciation.

(2) Federal operating income taxes deferred other (explain).

(3) Federal income taxes - operating.

(4) Income credits resulting from prior deferrals of federal income taxes.

(5) Investment tax credit net.

i) Investment credit realized.

ii) Investment credit amortized Pre-Revenue Act of 1971.

iii) Investment credit amortized Revenue Act of 1971.

(6) The information in Item 21(a)(1-4) for state income taxes.

(7) A reconciliation of book to taxable income as shown in Format 21(a)(7) and a calculation of the book federal and state income tax expense for the test year using book taxable income as the starting point.

(8) A copy of federal and state income tax returns for the taxable year ended during the test year, including supporting schedules.

(9) A schedule of franchise fees paid to cities, towns, or municipalities during the test year, including the basis of these fees.

b. An analysis of Kentucky other operating taxes as shown in Format 21(b).

22. Provide a schedule of gas operations net income, per Mcf sold, per company books for the test year and the 5 calendar years proceeding the test year. This data should be provided as shown in Format 22.

23. Provide the comparative operating statistics as shown in Format 23.

24. Provide a statement of gas plant in service, per company books, for the test year. This data should be presented as shown in Format 24.

25. Provide the following information. If any amounts were allocated, show a calculation of the factor used to allocate each amount.

a. A detailed analysis of all charges booked during the test period for advertising expenditures. Include a complete breakdown of Account 913 Advertising Expenses, as shown in Format 25a showing any other advertising expenditures included in any other expense accounts. The analysis should specify the purpose of the expenditure and the expected benefit to be derived.

b. An analysis of Account No. 930 Miscellaneous General expenses for the test period. Include a complete breakdown of this account as shown in Format 25b and provide detailed workpapers supporting this analysis. At a minimum, the workpapers should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount, and brief description of each expenditure of \$500 or more, provided that lesser items are grouped by classes as shown in Format 25b.

c. An analysis of Account No. 426 Other Income Deductions for the test period. Include a complete breakdown of this account as shown in Format 25c, and provide detailed workpapers supporting this analysis. At a minimum, the workpapers should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount, and brief description of each expenditure of \$500 or more, provided that lesser items are grouped by classes as shown in Format 25c.

26. Provide a detailed analysis of expenses incurred during the test year for professional services, as shown in Format 26, and all workpapers supporting the analysis. At a minimum, the workpapers should show the payee, dollar amount,

reference (i.e., voucher no., etc.), account charged, hourly rates and time charged to the company according to each invoice, and a description of the service provided.

27. Provide a detailed analysis of contributions for charitable and political purposes (in cash or services), if any, recorded in accounts other than Account No. 426. Show the amount of the expenditure, the recipient of the contribution, and the specific account charge. If amounts are allocated, show a calculation of the factor used to allocate each amount. Detailed analysis is not required for amounts of less than \$100, provided the items are grouped by classes.

28. Describe Columbia's lobbying activities and provide a schedule showing the name, salary, affiliation, all company-paid or reimbursed expenses or allowances, and the account charged for each individual whose principal function is lobbying on the local, state, or national level. If any amounts are allocated, show a calculation of the factor used to allocate each amount.

29. Provide a schedule showing for the test year and the year preceding the test year, with each year shown separately, the following information regarding Columbia's investments in subsidiaries, affiliates, and joint ventures:

- a. Name of subsidiary, affiliate, or joint venture.
- b. Date of initial investment.
- c. Amount and type of investment made for each of the 2 years included in this report.
- d. Balance sheet and income statement. Where only internal statements are prepared, furnish copies of these.

e. A separate schedule of all dividends or income of any type received by Columbia from its subsidiaries, affiliates, or joint ventures showing how this income is reflected in the reports filed with the Commission and stockholder reports.

f. Name of each officer of each of the subsidiaries, affiliates, or joint ventures, each officer's annual compensation, the portion of that compensation that is charged to the subsidiary, affiliate, or joint venture, the position each officer holds with Columbia and the compensation received from Columbia.

30. Provide the following information with regard to uncollectible accounts for the test year and 5 preceding calendar years (taxable year acceptable) for the gas operations:

- a. Reserve account balance at the beginning of the year.
- b. Charges to reserve account (accounts charged off).
- c. Credits to reserve account.
- d. Current year provision.
- e. Reserve account balance at the end of the year.
- f. Percent of provision to total revenue.

31. Provide a detailed analysis of the retained earnings account for the test period and the 12-month period immediately preceding the test period.

32. Provide a listing of all non-utility property, related property taxes, and accounts where amounts are recorded. Include a description of the property, the date purchased, and the cost.

33. Provide rates of return in Format 33.

34. Provide employee data in Format 34.

35. Provide the studies for the test year, including all applicable workpapers, which are the basis of jurisdictional plant allocations and expense account allocations.

36. Provide a calculation of the rate or rates used to capitalize interest during construction for the test year and the 3 preceding calendar years. Explain each component entering into the calculation of this rate.

37. Provide any information, when known, which would have a material effect on net operating income, rate base, or cost of capital which have occurred after the test year but were not incorporated in the filed testimony and exhibits.

38. Provide detailed monthly income statements for each month after the test period, including the month in which the hearing ends, as they become available.

39. List all present or proposed research efforts dealing with the pricing of gas and the current status of such efforts.

40. Provide a schedule reflecting the salaries and other compensation of each executive officer for the test year and the 2 preceding calendar years. Include the percentage annual increase and the effective date of each increase, the job title, duty and responsibility of each officer, the number of employees who report to each executive officer, and to whom each executive officer reports. Also, for employees elected to executive officer status during the test year, provide the salaries, for the test year, for those persons whom they replaced.

41. Provide an analysis of Columbia's expenses for research and development activities for the test year and the 5 preceding calendar years. For the test year include the following:

a. Basis of fees paid to research organizations and Columbia's portion of the total revenue of each organization. Where the contribution is monthly, provide the current rate and the effective date.

b. Details of the research activities conducted by each organization.

c. Details of services and other benefits provided to the company by each organization during the test year and the preceding calendar year.

d. Total expenditures of each organization including the basic nature of costs incurred by the organization.

e. Details of the expected benefits to the company.

42. Provide the average number of customers for each customer class (i.e., residential, commercial, and industrial) for the 5 calendar years preceding the test period, the test period, and for each month of the test period.

43. Provide all current labor contracts and the most recent contracts previously in effect.

44. Provide a detailed analysis of all benefits provided to the employees of Columbia. For each benefit include:

a. The number of employees covered at test-year end.

b. The test-year actual cost.

c. The amount of the test-year actual cost capitalized and expensed.

d. The average annual cost per employee.

45. Provide complete details of the financial reporting and rate-making treatment of Columbia's pension costs.

46. Provide complete details of Columbia s financial reporting and rate-making treatment of Statement of Financial Accounting Standard (SFAS) No. 106, including:

- a. The date that Columbia adopted SFAS No. 106.
- b. All accounting entries made at the date of adoption.
- c. All actuarial studies and other documents used to determine the level of SFAS No. 106 cost recorded by Columbia.

47. Provide complete details of Columbia s financial reporting and rate-making treatment of SFAS No. 112, including:

- a. The date that Columbia adopted SFAS No. 112.
- b. All accounting entries made at the date of adoption.
- c. All actuarial studies and other documents used to determine the level of SFAS No. 112 cost recorded by Columbia.

48. Provide the following information concerning the costs for the preparation of this case:

a. A detailed schedule of expenses incurred to date for the following categories:

- (1) Accounting;
- (2) Engineering;
- (3) Legal;
- (4) Consultants;
- (5) Other Expenses (Identify separately).

For each category, the schedule shall include the date of each transaction, check number or other document reference, the vendor, the hours worked, the rates per hour,

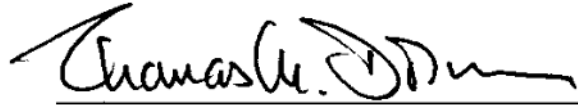
amount, a description of the services performed, and the account number in which the expenditure was recorded. Provide copies of any invoices, contracts, or other documentation which support charges incurred in the preparation of this rate case. Indicate any costs incurred for this case that occurred during the test year.

b. An itemized estimate of the total cost to be incurred for this case. Expenses shall be broken down into the same categories as identified in (a) above, with an estimate of the hours to be worked and the rates per hour. Include a detailed explanation of how the estimate was determined, along with all supporting workpapers and calculations.

c. During the course of this proceeding, provide monthly updates of the actual costs incurred, in the manner requested in (a) above. Updates will be due the last business day of each month, through the month of the public hearing.

49. Provide a copy of Columbia's most recent depreciation study. If no such study exists, provide a copy of Columbia's most recent depreciation schedule, including: a list of all pipeline and related facilities by account number; service life and accrual rate for each; the methodology which supports the schedule; and the date the schedule was last updated.

50. Describe the status of any outstanding recommendations relating to gas operations contained in Columbia's last management audit. Identify any savings or costs related to management audit recommendations, the impact of which are not already reflected in the test year of this case.



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DATED APRIL 29, 2002

cc: All Parties